Annual Report 1989 / 1990

with Interim Report to December 1990

Prince Edward Island
Housing Corporation

91-03681/

Letter of Transmittal

Prince Edward Island
HOUSING CORPORATION

HOUSING FOR ISLANDERS

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The Honourable Marion L. Reid
Lieutenant-Governor
Province of Prince Edward Island

Your Honour:

On behalf of the Board of Directors, it is my privilege to submit to you the Prince Edward Island Housing Corporation Annual Report for the fiscal year ending March 31, 1990. Also included is an Interim Report for the period between April 1, 1990 and December 31, 1990.

Respectfully submitted,

Roberta Hubley
Chairman and Minister Responsible

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Board of Directors

As at December 31, 1990

Honourable Roberta Hubley, Chairman
Minister Responsible for the
Prince Edward Island Housing Corporation

Robert Carruthers, Vice-Chairman
Alberton

Jack Callaghan, Secretary-Treasurer
Hillsborough Park

Carol Aitken
Souris

Ernest Beck
Alliston

Joan Connell
Charlottetown

Joseph Doran
Foxley River

Francis Flood
Charlottetown

Debbie MacLellan
Wellington

General Manager's Review

Having recently assumed the duties of General Manager and being a newcomer to the housing sector, I have spent the past several months familiarizing myself with the issues and opportunities facing the Prince Edward Island Housing Corporation. One thing that is evident to me at this early stage of my education is that the Housing Corporation, through its program activities and staff, has had a very positive influence on the lives of many Islanders.

During the 1989/90 fiscal year alone, the Housing Corporation assisted eighty-five households in attaining first-time homeownership. Without this assistance, these households would not likely have been able to achieve their ownership objective. The Housing Corporation, as the province's largest landlord, provides good quality, affordable rental accommodation to 1,100 senior households and to over 400 families. Again, without this assistance, most of these households would be living in substandard housing and/or forced to make housing payments beyond their means. The Corporation, through its home repair programs, assisted a further 417 homeowners in improving their living conditions. Considering the income levels of the homeowners assisted, most likely the needed home repairs would not have been possible without the provision of grant assistance by the Corporation. All this has been achieved with little publicity or fanfare, and the staff of the Housing Corporation can be rightfully proud of their accomplishments.

Now that we are in the 1990's, a new set of challenges confronts the Housing Corporation. The Provincial Government has recently released its Rural Development Strategy, and the Corporation recognizes that the creation of opportunities for residential development in rural communities will play an important role in any effort to revitalize our rural communities. As well, the recently released Royal Commission Report on The Land has raised public consciousness of the need to protect our land base and our environment. For Islanders, protection of our ground water supply is especially important, as it represents our sole source of domestic water supply. We will be challenged to find ways of encouraging environmentally sensitive rural community residential development.

Nowhere is the trend toward urbanization more obvious than in the management of the Corporation's Senior Citizens Housing projects. As short a time as five years ago, there was a strong demand for Seniors housing in most Island communities. Currently, however, the waiting list for Senior Citizens Housing in most rural locations is extremely limited and in some cases is nonexistent. Many senior citizens who have resided in rural locations all their

lives are now seeking accommodation in urban and larger rural centres so that they can be closer to services and to their immediate family members, many of whom have relocated to the centres. To reverse this trend, the Housing Corporation will have to work with other Provincial departments and agencies in an attempt to find ways of bringing some of the needed services to seniors living in our rural projects, back to rural communities. In many of our existing projects, modifications will be necessary to facilitate the provision of the required support services. If we fail to respond to these challenges, we can expect the trend toward urbanization in the demand for Senior Citizens Housing to intensify.

Before concluding, I would like to congratulate Andy Wells on his appointment as Deputy Minister of Transportation and Public Works. Although Andy's term as General Manager of the Housing Corporation was relatively brief, his strong and consistent leadership allowed me to inherit a solid organization with a clear understanding of where it presently was and where it wanted to go in the future. Andy had begun to set some new directions for the Housing Corporation, and it is my firm intent to carry through with these directions.

In conclusion, an organization is as strong as the strength of each of the individuals who work in that organization. To the Housing Corporation staff, most of whom I have known only a short while, I wish to express my admiration for your dedication, exhibited by your quiet, persistent delivery of the Corporation's housing programs to Islanders.

Diane I. Blanchard
General Manager

Highlights of 1989/90

- Construction started on 51 Senior Citizens and Family Housing units. Funding commitments were provided for another 16 units.
- Home repair grants provided to 417 senior citizen and special need households.
- Property management provided for 1,561 units of Senior Citizens and Family Housing.
- Active year for housing construction in P.E.I. with permits issued for 1,021 housing units having an estimated construction value of almost $57 million.
- Homeownership programs provided mortgage financing to 85 households.

The Organization

Background

The Prince Edward Island Housing Corporation is a provincial crown corporation whose central objective is to provide low and moderate income Island residents with increased access to adequate and affordable housing. The Province initiated its own housing programs in the early 1960's when boards and agencies were established to undertake Senior Citizens Housing, Co-operative Housing and Family Housing projects. These various agencies were consolidated in 1969 to become the Prince Edward Island Housing Authority. In 1975, the housing legislation was updated and the name of the organization was changed to its current designation, the Prince Edward Island Housing Corporation.

To carry out its mandate in the housing sector, the Corporation has thirty-nine (39) full time staff positions. Responsibilities of the staff include providing property management services for about 1,150 Senior Citizens Housing units, administering more than 400 Family Housing units, delivery of the Corporation's home repair and homeownership programs, managing the development of 50-70 new social housing units annually, and the provision of the full range of planning and financial management services needed to support the program delivery and administration responsibilities.

The Housing Corporation maintains offices in each of the five Regional Services areas. Twenty-six (26) of the Corporation's classified positions are located in the regional offices.

Organizational Structure

The activities of the Housing Corporation are conducted under the guidance of the Board of Directors. The Board is responsible to the Minister designated as responsible for the Prince Edward Island Housing Corporation. It has been traditional that the Minister is also appointed as Chairman of the Board. The chief executive officer is the General Manager. Reporting to the General Manager are the directors of the Corporation's four divisions.

The **Field Services Division** has the responsibility for the delivery of housing programs and services. It is the Corporation's largest division and it maintains staff in each of the five regional offices. Most of the Corporation's contacts with the general public would be through Field Services staff. Tasks regularly performed by Divisional staff members include taking applications and assessing eligibility, performing building inspections, providing orientations for new tenants and preparing leases, providing maintenance services to tenants residing in Corporation properties, reviewing tenant incomes for rent determination, and offering administrative and technical support to the local housing authorities. As well, each day staff respond to innumerable inquiries from the general public on housing program or general housing matters.

The **Construction and Technical Services Division** is responsible for the development of new Senior Citizens, Family and special purpose housing projects. Its duties include locating and evaluating possible sites for planned projects, acquiring selected sites, preparing project designs and specifications or liaising with private architects for this purpose, managing the public tender process, and supervising the construction of projects. The Division also provides technical advice, when required, to Field Services on major maintenance projects.

The **Management Services Division** is responsible for the financial administration and management systems of the Housing Corporation. In the area of financial operations, the Division is responsible for preparing the Corporation's budget, monitoring spending, cheque disbursements, accounting records and financial control. The Division receives all mortgage and rent payments to the Corporation and administers the collection and arrears procedures. With respect to management systems, the Division is responsible for personnel, office operations including equipment and supplies, operating the Corporation's computer system, activity reporting for programs and reviewing procedures for efficiency.

The **Planning and Co-ordination Division** is responsible for policy development and review and for providing a full range of planning services, including assessment for housing needs, market analysis, program planning and maintenance of statistical records and housing data. The co-ordination functions include working with the other divisions in scheduling program delivery and budget take-up, reviewing program procedures and providing resource assistance, and the responsibility for liaison and negotiations with federal, provincial and municipal agencies. Public information also falls under the mandate of the Division.

Program Activities

Emergency Home Repair Program

This program was originally introduced in April, 1985, as the Emergency Home Repair for Seniors Program to assist modest income senior citizen homeowners when emergency home repairs were required. During 1989-90, however, the program benefits were expanded to include households with a disabled person and households receiving welfare assistance. As a result, the program was re-titled to the Emergency Home Repair Program in order to reflect the broadened eligibility criteria to these needy groups. As in previous years, the actual grant amount is related to the households income through use of a sliding assistance scale. The grant can cover up to 50% of the emergency repair costs to a maximum grant of $1,000.

The changes to the program guidelines helped the Emergency Home Repair Program reach a total of 311 households and provide approximately $175,000 in grant assistance. Both of these assistance indicators stood as one year highs for the program. Chimney repairs were the most common repair work assisted, with repairs to roofs, sewage systems and doors and windows also being very much in demand. The average grant amount was $562, indicating that the total repair cost averaged over $1,100. Such costs would undoubtedly be very difficult for needy households to manage without the assistance provided by the program.

Provincial Contribution to Seniors - Home Repair Program

The Provincial Contribution to Seniors - Home Repair Program serves a two-fold purpose. First, it provides assistance to modest income senior citizen homeowners, households with a disabled occupant and households receiving welfare assistance to make repairs to their homes. Second, it supports local community groups in making effective use of federal job creation programs. The Provincial Contribution to Seniors - Home Repair Program provides up to $1,000 in grant assistance to be applied toward the cost of the materials used in the repairs. With the labour input from the job creation projects, repairs can be made at little or no cost to the assisted household. Homeowners benefit through having repairs such as the replacement of doors and windows, the installation of insulation, the fixing of stairs, or other jobs requiring basic carpentry skills.

Three community groups utilized program funding in 1989-90. These groups, and their activities, were as follows:

	Approvals	P.C.S. Funding
Southern Kings Community Development Corporation	42	$28,700
West Prince Community Development Corporation	42	28,200
La Societe de Developpement de la Region Evangeline	22	13,700
TOTALS	106	$70,600

As with the Emergency Home Repair Program, the amount of assistance for which a household qualifies is based on its annual income. Households with annual incomes below the maximum levels can receive assistance of $1,000. The maximum eligible incomes for the program were $13,500 for one person households and $17,500 for households with two or more members.

During the past nine years more than 1,300 approvals have been made in the Provincial Contribution to Seniors - Home Repair Program.

Rural Mortgage Lending Support Program

The Rural Mortgage Lending Support Program is a provincial homeownership initiative designed to improve the access to conventional mortgage financing of homeowners wishing to locate in smaller communities and rural areas. The Program also supports the rural community development efforts of the Province. In co-operation with the Prince Edward Island Credit Union League the Province provides long-term loan funds to the local credit unions. In turn, the credit unions use the funds to provide rural homeowners with conventional mortgages at fair market rates. Standard lending practices apply to the mortgage loans.

There was a record level of activity under the Program in 1989/90. The Province, through the Prince Edward Island Housing Corporation, provided $2,500,000 to the credit unions which contributed to 81 mortgage approvals. Also, for the first time since the program was introduced, mortgage activity on the purchase of existing homes (43) exceeded activity on new home construction (38). Of the newly constructed units, however, 30 were self-built which clearly indicates that this remains a strong component of the program.

Second Mortgage Loan Program

The Second Mortgage Loan Program is intended to ensure that adequate mortgage financing is available to homeowners throughout the Province. In most cases, a first mortgage from a lender is sufficient to provide the financing necessary to purchase or build a home. There may be occasions, however, when additional financing is required. To remove this barrier to homeownership, the P.E.I. Housing Corporation will provide a repayable second mortgage loan of up to $15,000 to borrowers who meet eligibility requirements. These include making a downpayment or equity contribution of at least 10% of the purchase price or construction cost, having a good credit rating and being able to afford the first and second mortgage loan payments as determined by standard lending practices. The interest rate on the second mortgage loan is set slightly higher than prevailing first mortgage loan rates. The maximum house price or construction cost in 1989-90 could not exceed $75,000.

There were 4 second mortgage loans, having an average value of $11,063, approved by the P.E.I. Housing Corporation. While the program has a relatively limited client group, the loans have been important in ensuring that these prospective homeowners have been able to obtain or construct a home in a location of their choice.

Senior Citizens Housing

Senior Citizens Housing provides self-contained units for the elderly in communities throughout Prince Edward Island. Tenants for projects are selected based on their need for housing assistance and their rents are based on a rent-to-income scale. New housing projects are added to the portfolio each year and operating losses are funded by the Provincial and Federal governments.

The new construction activity in 1989/90 consisted of the completion of a 20 unit project in Sherwood and the construction start of a 39 unit building in Charlottetown. Both projects were Provincially funded. The federal government through Canada Mortgage and Housing Corporation (CMHC) also committed funding for a 6 unit residence for Souris.

Senior Citizens Housing Administered by the P.E.I. Housing Corporation Units by Community - March 1990

Abrams Village	6	Murray River	6
Alberton	16	New London	8
Bedeque	6	O'Leary	24
Belfast	6	Parkdale	40
Borden	22	Rollo Bay	14
Cardigan	4	Rustico North	6
Charlottetown	361	Rustico South	4
Cornwall	14	Sherwood	36
Crapaud	15	Souris	67
Georgetown	16	St. Charles	4
Hunter River	14	St. Louis	4
Kelly's Cross	6	St. Peters	9
Kensington	50	Summerside	152
Kinkora	12	Tignish	14
Miscouche	18	Tracadie Cross	4
Mont Carmel	6	Tyne Valley	11
Montague	70	Vernon River	5
Morell	12	Wellington	22
Mt. Stewart	6	Wilmot	6
Murray Harbour	6		

Once projects have been completed, they become part of the portfolio that is managed and administered by the P.E.I. Housing Corporation. The portfolio stood at 1,102 units in 39 different communities as at March 31, 1990, and the locations of these units are shown in the preceding table. The property management of Senior Citizens Housing units provides a substantial economic boost at the local community level. When all maintenance, operating and building subsidy costs are taken into account, approximately $2.8 million per year is spent in association with this housing stock, much of it at the local level.

Family Housing

The Family Housing Program provides rent geared-to-income housing for families who cannot afford adequate accommodation in the private market. The demand for additional units has grown steadily in recent years and both federal and provincial programs have been utilized to construct additional units.

The completion of federally funded projects in 1989-90 for Charlottetown (20 units) and Summerside (8 units) brought the total number of units under the Family Housing Program to 370 at fiscal year end. In addition to these recently completed projects, funding commitments were made for six more units in Charlottetown and four in Souris.

Once the projects are constructed they are administered by local Housing Authorities. There are nine Housing Authorities in the Province, each responsible for tenant selections and operational management of the projects in their communities. The directors of the authority boards are local residents who serve without remuneration. The P.E.I. Housing Corporation is responsible for liaison with the Authorities and provides advisory assistance. The housing authorities and the number of units they administered in 1989/90 are listed in the following table.

Family Housing Administered by Housing Authorities
Units by Authority Board - March 1990

Alberton	22	O'Leary	23
Charlottetown Area	124	Souris	24
Georgetown	25	Summerside	94
Montague	40	Tignish	12
Mount Stewart	6		

Special Purpose Housing

Over the past several years, the P.E.I. Housing Corporation has been playing an increasingly important role in the Province's efforts to improve the long term care facilities for elderly residents and other special needs clients. The Housing Corporation has co-ordinated the development and arranged federal or provincial assistance for these projects. The Corporation's involvement has included project planning and design, securing the mortgage financing and holding ownership of the properties. The Department of Health and Social Services identifies special purpose housing needs and manages projects following their completion.

In 1989-90, a six unit group home in Sherwood for mentally handicapped adults was acquired and renovated.

Social Housing

No new units have been added to the Social Housing Program portfolio since the early 1970's. Originally, 83 units were purchased and renovated by the Housing Corporation with long term loan funds from Canada Mortgage and Housing Corporation. These units were made available to low and moderate income families on a rental or lease-purchase basis. For the past several years, the Corporation has been disposing of its Social Housing Program units. However, forty (40) units remain under administration.

Rural and Native Housing

As with the Social Housing Program, no new units have been added to the Rural and Native Housing portfolio since the mid-1970's. The thirty-six (36) units which the Corporation continues to administer provide payment geared to income housing for low and moderate income families. Operating losses are cost-shared between the federal and provincial governments.

Rural Community Housing

The Rural Community Housing Program was introduced in 1985/86 to provide affordable rental housing in smaller centres. Thirteen (13) units were developed at that time and these units continue to be administered by the Housing Corporation. No new units are being added to the Program portfolio.

Helping Hands for Seniors

During its eighth summer of operation in 1989, the Helping Hands for Seniors Project continued to offer a popular service to senior citizen homeowners and to provide useful employment to students. A total of 149 seniors located in 70 different communities took advantage of the free labour to have work such as painting, yard clean-ups, stacking woodpiles and minor maintenance performed at their homes. Fifteen students, employed through the Provincial Jobs for Youth Program, were made available to the Housing Corporation to carry out this work.

Program Activities in 1989/90

Program	Units/Approvals	Expenditures/Comments
Home Repair Programs		
Emergency Home Repair	311	$ 174,715/grants
Provincial Contribution to Seniors	106	70,600/grants
Home Ownership Programs		
Rural Mortgage Support	81	2,500,000/loans
Second Mortgage Loans	4	44,250/loans
Rental Construction		
Senior Citizens Housing	45	2,900,000/constr.
Family Housing	22	1,420,000/constr.
Portfolio Administration		
Senior Citizens Housing	1,102	maint. & admin.
Family Housing	370	maint/admin. assist
Social Housing	40	maint. & admin.
Rural & Native	36	maint. & admin.
Rural Community	13	maint. & admin.
Mortgage Administration		
Mortgages Administered	305	3,900,000 mortgage value

Interim Report (April - December 1990)

The Period in Review

Residential construction activity declined about 10% in 1990. Building permits were issued for the construction of 916 new housing units at an estimated value of $56.6 million. Greater Summerside continues to feel the impact of the Base closure and residential construction remained at an exceptionally low level for the second consecutive year. The decline in activity was also significant in greater Charlottetown where permits were issued for 18% fewer units in 1990 than in 1989. Most of the decline in Charlottetown can be attributed to reduced construction of apartment units.

On the more positive side, residential construction activity continued at a relatively strong level in our smaller communities and rural areas. Considering the higher mortgage interest rates experienced in 1990, the strong performance in our rural communities suggests there was a significant degree of self building. It is the high equity input made possible through self building that somewhat insulates rural Prince Edward Island from the national and international market forces. Traditionally, residential construction activity in rural P.E.I. has been relatively stable and has not experienced the drastic peaks and valleys common to urban centres.

The delivery of social housing units by the provincial and federal governments continued at a brisk pace in 1990. The P.E.I. Housing Corporation is proceeding with the delivery of 54 units to low income families and seniors, while Canada Mortgage and Housing Corporation is delivering a further 95 units, primarily through non-profit and co-operative housing organizations.

As well, the P.E.I. Housing Corporation received approval to deliver two garden suite demonstration units in 1990. A garden suite is a fully self-contained, one-bedroom, single unit intended to accommodate an individual senior or couple. It is located in the yard of a family member or friend and is designed to be portable so that when it is no longer required by the original tenant, it can be relocated to another site for a new senior. One unit has been delivered in the Corporation's East Prince region, and planning is underway to deliver a second garden suite in Southern Kings.

One very significant change was made in the Corporation's organization during 1990. It was the view of the Housing Corporation and of the Provincial Government that the responsibility for administering the Rental of Residential Property Act should be assigned to the Department of Justice. As a result, the Office of Residential Rental Property was transferred from the Corporation to the Department.

In May, 1990, the P.E.I. Housing Corporation and Canada Mortgage and Housing Corporation co-sponsored the very successful "Today's Seniors - Tomorrow's Housing Conference". The Conference was well attended and identified a wide range of housing options desired by seniors as well as the need for some design changes in our existing Senior Citizens Housing units. The Housing Corporation received favourable feedback from Conference participants and was very pleased with the overall results.

Emergency Home Repair Program

As of December 31, 1990, approvals had been issued for 341 grants under the program for the 1990/91 fiscal year. The assistance provided through these approvals amounted to $203,800.

Contributing to making these record numbers possible were two program amendments. The income eligibility limits were raised to include couples with annual incomes of up to $19,500 and individuals with annual incomes up to $15,500. As well, the eligibility of households with a disabled person was changed so that only the income of the disabled person, not the total household income, was considered.

Provincial Contribution to Seniors - Home Repair Program

The two home repair groups that were active in 1990 combined to make 43 approvals. These groups were active in the Southern Kings and Queens (31 approvals) and Evangeline (12 approvals) regions. The Corporation has provided approximately $30,800 in grant assistance for these repairs.

As with the Emergency Home Repair Program, the income eligibility limits were increased to $19,500 for couples and $15,500 for individuals. As well, the regulation covering the eligibility of households with a disabled person was also amended so that only the income of the disabled person, not the total household income, is to be considered.

Rural Mortgage Lending Support Program

As of December 31, 1990, the Province had advanced a total of $2.5 million in long term loan funds to the P.E.I. Credit Unions during the 1990/91 fiscal year. In turn, Credit Union offices used these funds to make 73 mortgage loans possible.

Second Mortgage Loan Program

Two second mortgage loans, averaging $11,000, were approved by the Housing Corporation in the April - December period, thus making homeownership possible for these households.

The maximum house price of $75,000 set in 1987 when the Program was introduced was raised to $86,000.

Senior Citizens Housing

The Housing Corporation completed a six unit project in Souris during the year.

A contract was awarded for an eight unit project in Souris and approval received to proceed with the development of an eight unit project in Montague.

The coming year will realize the completion of a 39 unit project in Charlottetown. Also scheduled for 1991 is the delivery of a Provincially funded garden suite to the Southern Kings area.

Family Housing

A total of twelve units were completed. The City of Charlottetown received eight units while four units were constructed in Souris.

The Housing Corporation also awarded contracts for the construction of fourteen more units: Six units for East Royalty, four for Charlottetown and four for Souris.

Planning is proceeding toward the spring construction of an additional twelve units. Approved for delivery are eight units in Montague and four units in the Village of Tignish.

Helping Hands for Seniors

The 1990 summer project assisted 175 senior citizen households, an increase of 26 approvals over the previous year's activity.

Financial Statements

AUDITOR GENERAL

CHARLOTTETOWN

PRINCE EDWARD ISLAND

AUDITOR'S REPORT

To The Board of Directors of the
Prince Edward Island Housing Corporation

I have examined the balance sheet of the Prince Edward Island Housing Corporation as at March 31, 1990 and the statement of revenue and expenses for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1990 and the results of its operations for the year then ended in accordance with the basis of accounting disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

J. Wayne Murphy, C.A.
Auditor General

Charlottetown, Prince Edward Island
June 29, 1990

PRINCE EDWARD ISLAND HOUSING CORPORATION
BALANCE SHEET
AS AT MARCH 31, 1990
(with comparative figures at March 31, 1989)

ASSETS

	1990	1989
Current Assets		
Cash	$ 424,900	$ 52,400
Accounts Receivable	592,600	493,900
Deposit Receipts - Note 1(a)	308,600	279,800
	1,326,100	826,100
Notes Receivable - Note 2	8,916,500	6,321,900
Mortgages Receivable	3,623,200	4,089,600
Investment in Properties		
Agreements of Sale - Note 3	407,100	462,400
Land for Resale or Development - Note 4	806,100	958,100
Federal-Provincial Projects - Note 5	6,454,800	6,459,100
Rental Housing Projects - Note 6	40,719,100	39,074,800
	48,387,100	46,954,400
Other Assets - Note 7	60,300	72,800
TOTAL ASSETS	$62,313,200	$58,264,800

LIABILITIES AND EQUITY

	1990	1989
Current Liabilities		
Bank Indebtedness - Note 8	$ 116,500	$ 71,800
Accounts Payable and Accrued Liabilities	2,764,200	2,775,400
	2,880,700	2,847,200
Long Term Liabilities		
CMHC - Note 9	11,840,200	12,446,300
Province of P.E.I. - Note 10	19,494,900	16,065,800
Other - Note 12	23,169,000	22,064,100
	54,504,100	50,576,200
Reserves		
Co-operative and Social Housing - Note 1(a)	142,800	141,900
Replacement Reserve - Note 1(a)	155,000	120,600
	297,800	262,500
Equity contributed by the Province of P.E.I.- Note 11	4,630,600	4,578,900
TOTAL LIABILITIES AND EQUITY	$62,313,200	$58,264,800

(The accompanying notes are an integral part of these financial statements)

ON BEHALF OF THE BOARD: DIRECTOR: Joseph Doran

DIRECTOR: David Ritcey

PRINCE EDWARD ISLAND HOUSING CORPORATION
STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 1990
(with comparative figures for the year ended March 31, 1989)

	1990	1989
Revenue		
Appropriations from the Province of P.E.I.	$ 2,381,600	$2,130,200
CMHC operating cost recoveries	2,697,200	2,457,200
Administration fees	33,500	34,600
Rental income	4,010,100	3,780,300
Interest income	1,319,100	1,093,800
Sundry	94,300	99,700
Total Revenue	10,535,800	9,595,800
Expenses		
Administration		
Salaries	1,277,000	1,259,700
Office and Administration	430,400	368,800
	1,707,400	1,628,500
Senior Citizens Housing - Operations		
Repairs and Maintenance	1,553,200	1,251,800
Fuel, Utilities, and Property taxes	1,105,200	1,072,700
Depreciation and Amortization	94,700	80,800
	2,753,100	2,405,300
Interest	5,835,900	5,319,100
Grants issued	239,400	242,900
Total Operating Expenses	10,535,800	9,595,800
Operating income (loss) for the year	$ -	$ -

(The accompanying notes are an integral part of these financial statements)

PRINCE EDWARD ISLAND HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1990

1. Significant Accounting Policies:

(a) Trust Reserves are set aside for contingencies in co-operative and social housing and are offset by investments in deposit receipts with the Province of P.E.I.

Replacement reserves are in place on certain rental properties as required by agreements with C.M.H.C. and those funds are also invested in deposit receipts with the Province of P.E.I.

(b) Depreciation on rental properties is equal to the principal reduction in the corresponding long term indebtedness.

Depreciation is recorded at 10 percent per annum on the Corporation's cost of emergency power generators at its senior citizens homes, which is included with other assets.

(c) Federal-Provincial project costs are amortized over the life of the Federal-Provincial agreement. Accumulated amortization represents principal reductions to date on the original investment of the Province of P.E.I.

(d) Long term liabilities include the current portions of the long term debt.

2. Notes receivable are comprised of long term loan funds provided by the Corporation for use by the P.E.I. Credit Union League and local credit unions in providing real property mortgages in rural areas of the Province. The loans are secured by an assignment of book debts and postponement agreements on the mortgage assets of the League and the individual credit unions.

	1990	1989
Notes Receivable	$8,269,200	$5,867,700
Accrued Interest	647,300	454,200
	$8,916,500	$6,321,900

3. Investment in properties under agreements of sale are recorded at cost less tenants' equity.

	1990	1989
Cost	$ 590,600	$ 633,200
Tenants' Equity	(183,500)	(170,800)
	$ 407,100	$ 462,400

4. Investment in land for resale or development consists of the following:

	1990	1989
Hillsborough Development		
Developed - at 1983 appraised values	$309,100	$462,700
Undeveloped - at 1986 appraised values	342,100	341,900
Other undeveloped land	154,900	153,500
	$ 806,100	$ 958,100

During the year interest and property taxes totalling $16,500 have been capitalized in other undeveloped land.

5. Investments in Federal-Provincial projects are recorded at the Housing Corporation's cost less accumulated amortization and consists of the following:

	1990	1989
Family Housing	$2,248,600	$2,240,200
Senior Citizens Housing	3,930,400	3,930,400
Rural and Native Housing	350,100	350,100
Sub-totals	6,529,100	6,520,700
Less: Accumulated Amortization	(74,300)	(61,600)
	$6,454,800	$6,459,100

6. Rental Housing properties are recorded at cost less accumulated amortization and consist of the following:

	1990	1989
Family Housing	$ 5,955,600	$ 4,826,900
Senior Citizens Homes	14,777,300	14,074,400
Homes for Special Care	21,121,400	21,098,700
Social Housing	30,700	63,500
Sub-total	41,885,000	40,063,500
Less: Accumulated Amortization	(1,165,900)	(988,700)
	$40,719,100	$39,074,800

During the year the following interest costs were capitalized on construction projects.

Family Housing	$ 45,500
Senior Citizens Homes	41,700
Homes for Special Care	1,900
	$ 89,100

7. Other Assets

	1990	1989
Emergency Power Generators - Note 1(b)	$121,700	$121,700
Repossessed Properties	15,700	19,800
Prepaid Expense	-	4,300
Stores Inventory	8,100	-
	145,800	145,800
Less: Accumulated Depreciation	(85,200)	(73,000)
	$ 60,300	$ 72,800

8. Bank indebtedness is guaranteed by the Province of P.E.I.

9. Loans payable to Canada Mortgage and Housing Corporation consist of the following:

	1990	1989
Mortgages Payable	$ 3,997,600	$ 4,052,800
Debentures Payable	5,480,600	5,690,000
Loans Payable	2,362,000	2,703,500
	$11,840,200	$12,446,300

The above amounts include more than 100 individual balances at varying interest rates and maturity dates.

10. Long term liabilities to the Province are made up of approximately 100 loans having varying interest rates and maturity dates.

11. Equity Contributed by the Province of P.E.I.

Beginning balance - April 1, 1989		$4,578,900
Additions for the year - Manors		57,100
Deductions for the year - Senior Citizens Housing	$2,000	
- Family Housing	3,400	(5,400)
Ending balance - March 31, 1990		$4,630,600

12. Other long term liabilities consist of the following:

Mortgage obligations:

Description	Interest Rate	Maturity Date	Amount Outstanding 1990	1989
Homes for Special Care:				
Mutual Life (Riverside Home)	12.875%	Oct. 1990	$ 4,318,800	$4,330,200
Cooperative Trust (Wedgewood H.)	10.35%	Nov. 1994	4,098,800	4,112,800
Cooperative Trust (Beach Grove)	12.625%	Sept. 1991	7,243,900	7,261,800
Group Home Rental Units:				
Royal Bank (Inkerman Blvd.)	11.75%	Jan. 1993	58,300	59,700
Royal Bank (Southport)	11.50%	Sept. 1992	57,100	58,000
Royal Bank (Woodward Dr.)	11.50%	Dec. 1991	74,500	75,800
Metropolitan Trust (Sherwood)	11.22%	June 1994	113,700	-
Senior Citizens Housing:				
Co-operative Trust (Ch'town)	11.237%	Dec. 1992	1,758,600	1,763,800
Co-operative Trust (Montague)	10.987%	Sept. 1992	326,200	327,200
Co-operative Trust (Souris)	10.987%	July 1992	241,400	242,200
Metropolitan Trust (S'side)	10.79%	Nov. 1993	832,800	835,300
Metropolitan Trust (St. Louis)	10.64%	July 1993	214,800	215,500
Family Housing:				
Co-operative Trust (Ch'town)	11.237%	Dec. 1992	431,000	432,300
Co-operative Trust (Hillsborough Park 1)	10.737%	July 1992	202,500	203,200
Co-operative Trust (Hillsborough Park 2)	11.237%	Oct. 1992	221,700	222,400
Co-operative Trust (Souris 1)	11.237%	Feb. 1993	216,100	216,700
Co-operative Trust (Souris 2)	11.237%	Feb. 1993	121,600	121,900
Co-operative Trust (S'side)	10.987%	Sept. 1992	337,800	338,900
Metropolitan Trust (S'side)	11.40%	Sept. 1993	462,000	463,200
Metropolitan Trust (Montague)	11.40%	Sept. 1993	382,200	383,200
Metropolitan Trust (Ch'town)	11.23%	Oct. 1993	398,900	400,000
Metropolitan Trust (Ch'town)	10.80%	July 1994	292,500	-
Metropolitan Trust (Ch'town)	11.31%	Oct. 1994	295,800	-
Metropolitan Trust (S'side)	11.22%	June 1994	468,000	-
			$23,169,000	$22,064,100

These mortgages are secured by land and buildings.